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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/027,903	12/20/2001	Nam Dinh Pham	367213-001	3219
37509	7590	08/23/2007		
DECHERT LLP P.O. BOX 390460 MOUNTAIN VIEW, CA 94039-0460			EXAMINER GREIMEL, JOCELYN	
			ART UNIT 3693	PAPER NUMBER
			MAIL DATE 08/23/2007	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/027,903	Applicant(s) PHAM, NAM DINH	
	Examiner Jocelyn Greimel	Art Unit 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 31 July 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-40 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-40 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date <u>8/19/07</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 31 July 2007 has been entered.

Status of Claims

2. Claims 1-40 are currently pending. Claims 1 and 21 are independent claims.

Response to Arguments

3. Applicant's arguments filed 31 July 2007 have been fully considered but they are not persuasive. In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, Applicant suggests that financial trading systems are distinguishable from betting

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systems and there is no motivation to combine the references. However, Applicant's specification at page 1 states that the claimed method "allows individuals to *take a position on* an underlying commodity's price movement" and "hedge or speculate on the price movements of offered commodities." The claimed language lends itself to wagering and/or betting systems. Additionally, a prior art reference made of record and not relied upon is considered pertinent to applicant's disclosure: **Sireau (US Patent No. 7,206,762 B2)**, which bridges the gap and shows a motivation to combine the fields of wagering and financial trading systems.

4. In response to applicant's argument that the cited references are nonanalogous art, it has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, Applicant's specification at page 1 states that the claimed method "allows individuals to *take a position on* an underlying commodity's price movement" and "hedge or speculate on the price movements of offered commodities." The claimed language lends itself to wagering and/or betting systems. Additionally, a prior art reference made of record and not relied upon is considered pertinent to applicant's disclosure: **Sireau (US Patent No. 7,206,762 B2)**, which bridges the gap and shows a motivation to combine the fields of wagering and financial trading systems.

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5. In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971). Please, see Examiner's notes above.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1-40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Rossides (US Patent No. 5,749,785) and further in view of Lange (US Patent No. 6,321,212). In reference to claims 1 and 21, Rossides discloses a method and system of administering a contract between at least two investors comprising:

a. associating a contract with a first investor, wherein the contract is based on at least one underlying commodity having a market value and wherein the first investor does not hold the underlying commodity or agree to buy or sell the underlying commodity (abstract; col. 1-5; co1.11-12);

b. matching the contract with a second investor thereby creating an active contract, wherein the second investor does not hold the underlying commodity or agree to buy or sell the underlying commodity (abstract; col. 1-5; co1.11-12);

c. at least temporarily holding first investor funds and second investor funds associated with the contract (col. 43);

d. determining which one of the first and second investor is to receive a payoff based on the market value of the underlying commodity upon expiration of the contract in relation to one of a target price and a target price range (abstract; col. 1-5; co1.11-12);

e. paying off one of the first and second investor upon expiration of the contract, wherein expiration of the contract is based on at least one of a deviation from a target price range and a specified maturity date (abstract; col. 1-5; col. 11- 12).

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8. Rossides does not disclose the contracts being related to a commodity and the fixed lump-sum payoff based on the market value of the commodity. However, Lange discloses how these contracts can be set up related to commodities. Lange discloses the set-up of price ranges and market values of commodities. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to have modified the betting/wagering system disclosed in Rossides with the application to commodities as disclosed in Lange because it would create another item for users to bet on.

9. In reference to claims 2-20 and 22-40, Lange discloses a method and system of administering an investment contract between at least two investors as below. Similar items and actions may be grouped together. Lange discloses among its various embodiments:

f. wherein a price movement having a direction is defined by comparing the target price to the market value of the underlying commodity upon expiration of the contract, wherein the contract specifies an expiration date, a first and second expected direction associated with the first and second investor and a fixed lump-sum payoff, and wherein the payoff is selectively transferred to one of the first and second investor upon expiration of the contract based on the direction of the price movement of the commodity in relation to the first and second expected direction (abstract; col. 1-5; co1.11-12);

g. wherein a price movement having a number of ticks and direction is defined by comparing the target price to the market value of the underlying commodity upon

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expiration of the contract, wherein the contract specifies an expiration time, a first and second expected direction associated with the first and second investor and dollars per tick, and wherein the payoff is calculated and transferred to one of the first and second investor upon expiration of the contract based on the direction of the price movement, the number of ticks and the dollars per tick (abstract; col. 1-5; co1.11-12);

h. wherein the contract further specifies a cap, and wherein the payoff transferred to one of the first and second investor is limited by the cap (abstract; col. 1-5; co1.11-12);

i. wherein the commodity has a market, value at expiration of the contract, and wherein the contract specifies an expiration date, a first target price range associated with the first investor, a second target price range associated with the second investor and a fixed lump-sum payoff, and wherein the fixed lump-sum payoff is transferred to one of the first and second investor upon expiration of the contract based on the market value of the commodity upon expiration of the contract in relation to the first and second price ranges (abstract; col. 1-5; co1.11- 12);

j. wherein the fixed lump-sum payoff is transferred to the first investor if the market value of the commodity upon expiration of the contract falls within the first target price range (abstract; col. 1-5; co1.11-12);

k. wherein the fixed lump-sum payoff is transferred to the second investor if the market value of the commodity upon expiration of the contract falls within the second target price range (abstract; col. 1-5; co1.11-12);

l. wherein the commodity has a market value upon expiration of the contract, wherein the contract specifies an expiration date, a price range bounded by an upper cap associated with the first investor and a lower cap associated with the second investor and fixed lump-sum payoff, and wherein the fixed lump-sum payoff is transferred to one of the first and second investor based on one of the market value of the commodity upon expiration of the contract in relation to the price range (abstract; col. 1-5; co1.11-12);

m. wherein the fixed lump-sum payoff is transferred to the first investor if the market value of the commodity reaches the upper cap prior to the expiration date; i. wherein the fixed lump-sum payoff is transferred to the second investor if the market value of the commodity reaches one of the lower cap prior to the expiration date: ii. wherein the fixed lump-sum payoff is transferred to the first investor on the expiration date if the market value of the commodity on the expiration date falls within a portion of the price range associated with the first investor; iii. wherein the fixed lump-sum payoff is transferred to the second investor on the expiration date if the market value of the commodity on the expiration date falls within a portion of the price range associated with the second investor (abstract; col. 1-5; co1.11-12); iv. wherein the commodity has a market value at expiration of the contract, and wherein the contract specifies an expiration date, a price range bounded by an upper cap associated with the first investor and a lower cap associated with the second investor, a target price and dollars-per-tick, and wherein a payoff is calculated and transferred to one of the first and second investor upon expiration of the contract based on the market value of the

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commodity upon expiration of the contract in relation to the price range (abstract; col. 1-5; co1.11-12);

n. wherein the payoff transferred to one of the first and second investor is limited by one of the first and second cap; v. wherein the payoff is transferred to the first investor if the market value of the commodity reaches the first cap prior to the expiration date; vi. wherein the payoff is transferred to the second investor if the market value of the commodity reaches the second cap prior to the expiration date; vii. wherein the payoff is transferred to the first investor on the expiration date if the market value of the commodity on the expiration date falls within a price range associated with the first investor; viii. wherein the payoff is calculated based on the difference between the market value of the commodity upon expiration of the contract and the target price multiplied by the dollars-per-tick; ix. wherein the payoff is transferred to the second investor on the expiration date if the market value of the commodity on the expiration date falls within a price range associated with the second investor;

o. wherein the payoff is calculated based on the difference between the market value of the commodity upon expiration of the contract and the target price multiplied by the dollars-per-tick (abstract; col. 1-5; co1.11-12).

10. Rossides does not disclose the contracts being related to a commodity and the fixed lump-sum payoff based on the market value of the commodity. However, Lange discloses how these contracts can be set up related to commodities. Lange discloses the set-up of price ranges and market values of commodities. It would have been

obvious to one of ordinary skill in the art at the time of the Applicant's invention to have modified the betting/wagering system disclosed in Rossides with the application to commodities as disclosed in Lange because it would create another item for users to bet on.

Conclusion


The prior art made of record and not relied upon is considered pertinent to applicant's disclosure: Sireau (US Patent No. 7,206,762B2).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jocelyn Greimel whose telephone number is (571) 272-3734. The examiner can normally be reached on Monday - Friday 8:30 AM - 4:30 PM EST. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Jocelyn Greimel
Examiner, Art Unit 3693
August 19, 2007


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8-20-07